influenced the economic structure which emerged in these last years of Austria's independence. Two factors, in particular, were of importance: the changeover from a democratic to an authoritarian régime; and the rapid growth of the German trade offensive in south-eastern Europe.

At home, the most obvious results of the destruction of democratic institutions were of course to be found in the political field. But there were also important economic concomitants. The dissolution of free trade unions and of other democratic bodies eliminated every organized force which might have safeguarded the share of the mass of the population in the national income. While production as a whole returned to and even surpassed the 1929 level, the production of consumption goods—contrary to the experience in most of the other countries—remained far below it. The trade revival came largely from increased exports, rearmament, and public works.[7] The strong cartels which covered a large part of Austria's industry (e.g. in the iron and steel trades, in electrical engineering, in chemicals, rubber processing, sugar refining, in the paper and brewery trades, etc.) absorbed a large proportion of the rising national income into profits, and the revival failed to spread to the consumption goods industries which remained depressed and were a source of unemployment.

The external effects of the changed political situation were even more marked. In the inter-war period, and particularly after 1929, when tariffs, quotas, currency wars, etc., became the order of the day, the economic relations between most countries ceased to be governed by transactions between private traders. Foreign trade increasingly became the concern of governments, and economic policy a special aspect of foreign policy. Austria